Mr. Warden BURGESS, Thames, to the UNDER-SECRETARY OF MINES, Wellington.

SIR,— The Warden's Office, Thames, 1st May, 1913.

I have the honour to present my report on the Hauraki Goldfield, under my charge, for the year ended 31st December, 1912.

I regret that I have to record not only a great depreciation on the total value of gold won from the district, but also a serious decline in the extent of mining operations carried on generally in the district. The whole of the goldfield was already suffering from the effect upon mining investors and the public generally of the reduced returns from Waihi Mine, when the unfortunate strike of miners at Waihi took place. This so affected public feeling as regarded the prospects of the mining industry that very many of the less prominent companies carrying on operations by means of calls on their capital found it impossible to obtain any further contributions from shareholders, and they were compelled to discontinue operations, and seek protection from the Warden's Court. The return of gold for the whole district shows a decrease in value of £379,908; but it is some satisfaction to record that the mines in the Ohinemuri County (as distinct from the Waihi Mines, which are situated in the Waihi Borough) have increased the yield of gold by a value of £54,753 9s. 1d., while both the Thames and Coromandel districts also show an increase in the value of gold obtained. The former district yielded £14,914 12s. 3d. worth of gold in excess of that produced the previous year, and the latter £426 8s. 7d. The Talisman Claim is responsible for most of the increase in the Ohinemuri County, and at Thames the increase has been contributed by the Sylvia, Watchman, Monowai, and Occidental Claims; and at Coromandel, by the Hauraki and some small claims at Coromandel; and the Waitaia, Mountain King, and Handsworth Claims at Kuaotunu.

The Thames Deep Level scheme has not so far resulted in any addition to the yield of the gold of the district; but it is affording means of working ground which, judging from the amount of gold formerly yielded by the upper workings, may reasonably be expected in the future to contribute to the gold produced in the district.

In the Waihi and Grand Junction, and in other mines at Waihi, work was necessarily suspended during the long-continued strike, and the output from the mines for the year greatly reduced in consequence.

Since the resumption of operations work has been steadily carried on by both the Waihi and Grand Junction Companies, though with a reduced number of men. Up to the end of the year no gold has been won, the operations being chiefly confined to the unwatering of the mine necessitated by the flooding of the lower levels by the cessation of pumping. The Waihi Company was engaged, among other work, up to the time of the strike in sinking main shafts from 1,150 ft. level for the purpose of ascertaining whether the impoverished ore makes in value at a greater depth. In the Grand Junction Mine the company was compelled to suspend operations at a time when the ores worked in No. 6 level showed an improvement in value, particularly in the Empire reef. The consequences of the strike were very severely felt by tradesmen and storekeepers in the town, and it had a seriously depreciating effect on all land and house property. Since work was resumed in the mines there is evidence of returning prosperity, but it will take the town and district a long time to regain their lost position. The work in the construction by the Waihi Company of the line for the conveyance of electrical power from the Hora Hora Falls, in the Waikato River, was continued during the strike, and it is expected that the plant will be in working-order about June. This should add to the company's output of bullion, for the application of electricity to their works will enable ores of low grade to be profitably treated.

The other mines at Waihi—the Waihi Consolidated, the Waihi Extended, and the Standard, which closed down during the strike—have not yet resumed operations.

There is a large area of land at Waihi which offers a field for investment still unoccupied. It is not possible to raise locally the large amount of capital necessary to test this ground, and, although efforts have been made in London and elsewhere to obtain capital for the purpose, no success has been met with. The decline in the value of the ores in the Waihi Mine, and the uncertainty created by the strike, has operated strongly against the investment of foreign capital at Waihi, and, in consequence, only the Waihi and Junction Mines are now in operation.

At Karangahake the principal mine at work is the Talisman. Operations in this mine still continue to yield extremely satisfactory results, and the deepest works show improvements both in the average width and value of the lodes. The total yield of gold for 1912 amounted in value to £245,733, an increase of £23,675 over that of the previous year.

In the Crown Mine work is being carried on in blocks already opened up, and two fresh blocks of ore on the Maria reef have been opened up, but no developments at deeper levels have been undertaken. Gold to the value of £40,895 was obtained.

There are several other mines at work at Karangahake, but so far they have not reached the stage of gold-production. The Waihi-Paeroa Gold-extraction Company, which is possessed of a very extensive and well-equipped reduction-works on the Ohinemuri River, have been steadily at work, and during the year have treated 94,100 tons of tailings, taken from the bed of the river, for a return of £33,811 6s. 5d., and have already paid the shareholders a dividend of 1s. a share.

At Maratoto (Hikutaia) there are only two companies now at work—viz., the Silverstream Company and the Tellurides Company. The former company is known to have promising lodes in their property, but there has been no yield of gold or bullion from the mine for some time, as the company have been engaged in putting in a low-level tunnel for the better development of the claim. The Tellurides Company have been energetically at work on their property, but its development has not so far progressed as to enable them to produce payable ore in any quantity.

At Waitekauri the Golden Cross and Maoriland Claims have both been continuously at work, and have added something to the gold returns of the district. Several other claims are at work, but operations have not yet proved remunerative.